GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MA & UD Dept. - Policy on fixation of user charges for water supply in the Urban Local Bodies and Guidelines on ease of getting water tap connections in ULBs - Certain Amendments - Issued.

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MUNCIPAL ADMINISTRATION AND URBAN DEVELOPMENT (J1) DEPARTMENT

G.O.Ms.No.197 Dated 23.11.2020

Read the following:-

1. G.O. Ms. No. 159, MA & UD (UBS) Dept., dt. 17.05.2018.
2. From the Commissioner & Director of Municipal Administration, A.P. Guntur letter Roc No. 14034/43/2020-K Sec (3509553/2020/K3), dt. 19.11.2020.

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O R D E R:

In the G.O. first read above, Government have issued Policy on fixation of User Charges for Water Supply in the Urban Local Bodies to revise the water charges in such a manner to enable the ULBs to realize the O&M Cost in full from the Users. The methodology suggested in the said G.O. for fixation of water charges is based on water consumed by different categories of users viz.,

(i) Domestic Category
  a) Domestic Household
  b) Bulk Domestic i.e. apartments
(ii) Commercial Category
(iii) Industrial Category

2. As water supply to bulk domestic, commercial and Industrial categories is on the basis of meter, the water consumed by these three categories shall be worked out based on the meter readings.

3. In the letter second read above, the Commissioner & Director of Municipal Administration, AP, Guntur, has reported that while fixing/revising the Water Charges by the ULBs, as per the methodology suggested to achieve the self-sufficiency, it is noticed that there is an abnormal increase in water charges and it will be a huge burden on the water users, in several ULBs. Therefore, to reduce the burden on the water users in different categories and to ensure that the user charges are fair and not regressive, the minimum and maximum rates (Tariff Range) has been suggested as given in the table below and requested the Government to direct the ULBs to fix/revise the rates periodically for all categories of users.

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WATER TARIFF SUGGESTED:

Category of Users	Tariff Range (in Rupees)
Domestic:	
i) Household (in Rupees/month)	100 - 350
ii) Bulk Domestic (Metered) (in Rupees/KL)	30 - 50
Commercial (in Rupees/KL)	60 - 140
Industrial (in Rupees/KL)	40 - 80

4. Government, after careful examination of the matter, hereby issue amendments to the relevant provisions of G.O.Ms.No.159, MA & UD (UBS) Dept., dated 17.05.2018 on fixation of user charges (tariff), as follows:-

(i) The Municipal Councils/Corporations are required to fix self-sufficiency rates within the above tariff range and such self-sufficiency rate shall be increased every year by 5% to recover the increased O&M Costs, by passing resolution. After the increase the same shall be treated as the new self-sufficiency rate for that year.

(ii) Transitional provision:-

(1) Fixation of water tariff during the transitional period i.e., for the 1st year;

(a) When the existing rate is less than the self-sufficiency rate arrived, and –

(i) the existing rate is required to be increased by 15% or more to reach the self-sufficiency rate, the increase shall be limited to 15%.

(ii) the existing rate is required to be increased by less than 15%, to reach the self-sufficiency rate, the percentage of increase shall be the actual gap percentage.

(b) When the existing rate is more than or equal to the self- sufficiency rate arrived, there shall not be any reduction in the existing rate and the existing rate will be increased by a nominal 2%.

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(2) Calculation of Rates for the subsequent Years;

(a) When the existing rate (i.e., the rate fixed for the previous year) is less than the self-sufficiency rate for the current year and –

(i) the existing rate is required to be increased by more than 15% to reach the current year's self-sufficiency rate, the increase shall be limited to 15%.

(ii) the existing rate is required to be increased by less than 15% to reach the current year's self-sufficiency rate, the percentage of increase shall be the actual gap percentage.

(b) When the existing rate (i.e., the rate fixed for the previous year) is more than or equal to the self-sufficiency rate for the current year, there shall not be any reduction in the existing rate. The current year rate shall be fixed at a nominal increase of 2%.

(i) The Municipal Commissioners shall submit detailed proposals to the following Committee, showing the existing and the proposed monthly tariff arrived at, duly following the above procedure, along with bye-laws and the Council Resolution, to this effect.

1	Commissioner & Director of Municipal Administration, A.P., Guntur	Chairman
2	Engineer-in-Chief (Public Health)	Member
3	Superintending Engineer (Public Health) concerned	Member-

(ii) Upon receipt of the said proposal, the Committee shall study the proposals of the Municipal Commissioners and recommend the proposed water tariff to be adopted by the Municipal Councils/Corporations. After due consideration of the recommendations of the Committee, the Municipal Councils/Corporations shall follow the procedure prescribed for publication of Draft and Final Notifications of the Bye-laws and Tariff in the ULBs for effecting the same from 01.04.2021.

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5. The Commissioners of Municipalities and Municipal Corporations in the State, the Engineer-in-Chief (Public Health) and the Commissioner & Director of Municipal Administration shall take necessary action in the matter.

[BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH]

J.SYAMALA RAO
SECRETARY TO GOVERNMENT

To
The Commissioner & Director of Municipal Administration,
A.P., Guntur
The Special Officers, Municipal Councils/Corporations in the State
The Engineer-in-Chief (PH), AP; Tadepalli, Guntur District.
All the Municipal Commissioners of Nagara Panchayats,
Municipalities and Municipal Corporations in the State.
Sf/Sc

//FORWARDED :: BY ORDER//

SECTION OFFICER